

### **REMARKS**

This responds to the Office Action mailed on January 4, 2008.

No claims are amended, no claims are canceled, and no claims are added; as a result, claims 1-20, 26-31, 34-53 and 59-78 are now pending in this application.

#### **§102 Rejection of the Claims**

Claims 1-20, 26-31, 34-53 and 59-78 were rejected under 35 U.S.C. § 102(b) for anticipation by Auction Arms (hereinafter “Arms”). Anticipation requires the disclosure in a single prior art reference of each element of the claim under consideration, *In re Dillon*.<sup>1</sup>

#### **Concerning independent claims 1, 8, 26, 29, 34, 41, 59, and 66:**

Claim 1 recites:

“a processor coupled to a memory through a bus; an auction price-setting process executed from the memory by the processor to cause the processor to automatically publish at least one of a proxy bid information and a reserve price when a high proxy bid is less than the reserve price, the proxy bid information and the reserve price being associated with a listing for an item during an auction price-setting process; and an auction price-setting process executed from the memory by the processor to cause the processor to keep the proxy bid information and the reserve price confidential when the high proxy bid is more than the reserve price”

Claim 8 recites:

“a processor coupled to a memory through a bus; an auction price-setting process executed from the memory by the processor to cause the processor to exchange of at least one of a proxy bid information of a buyer and reserve price information of a seller when a high proxy bid is less than the reserve price, the at least one of the proxy bid information and the reserve price information being associated with a listing utilizing the auction price-setting process; and an auction price-setting process executed from the memory by the processor to prevent the processor from exchanging proxy bid information and the reserve price when the high proxy bid is more than the reserve price”

---

<sup>1</sup> 919 F.2d 688, 16 USPQ2d 1897, 1908 (Fed. Cir. 1990) (en banc), cert. denied, 500 U.S. 904 (1991).

The Office Action notes that the language of independent claims 1 and 8 is conditional on the occurrence of the events recited in the conditional statements. According to the Office Actions, independent claims 1 and 8 are not examined in their entirety because the method as a whole is not satisfied unless the condition is satisfied. These contentions made as part of the §102(b) rejection, even though Applicants believe that the Office Action implies indefiniteness under §112.

The Office Action proceeds to examine independent claims 1 and 8 without giving patentable weight to the conditional language. This, apparently, dictates the choice of prior art utilized by the Office Action. The Office proceeds to reject the rest of independent claims on the same grounds as independent claims 1 and 8. Applicants respectfully submit that independent claims 29, 41, 66 contain no conditional limitations, and therefore, rejections of those claims on the same grounds<sup>2</sup> are improper.

Applicants have previously submitted that there is neither law nor rule to support the contentions made by the Office Action. Because there is no such authority, Applicant understands that it has been a standard USPTO practice to allow conditional limitations in claims. Applicants have respectfully invited Examiner to prove them wrong by pointing to an authoritative document prohibiting conditional limitations in a claim, or permitting a partial examination of a claim containing a conditional limitation.

In response, the instant Office Action, without providing the specifics, cites *In re Johnson*<sup>3</sup>, *Intel Corp. v. Int'l Trade Comm'n*<sup>4</sup>, and MPEP §2106 II C. Applicants respectfully submit that they have found no support for the Office Action contentions in the cited references despite a careful review. For example, MPEP § 2106 II C (in places believed by Applicants to be most pertinent to the Office Action assertions) discusses claim language that **suggests or makes optional but does not require** steps to be performed. MPEP §2106 II C proceeds to provide examples of language that may raise a question as to the limiting effect of the language in a claim. Applicant submits that these examples do not include conditional language. Thus, MPEP § 2106 II C is silent on the effect of inclusion of conditional limitations.

---

<sup>2</sup> Applicant, of course, does not concede that such rejections are proper as to ANY of the claims.

<sup>3</sup> 77 USPQ2d 1788 (CA FC 2006)

<sup>4</sup> 20 USPQ2d 1161 (Fed. Cir. 1991)

As to the partial examination of claims, the language of MPEP § 2106 II C is clearly contrary to the assertions made by the Office Action. MPEP § 2106 II C instructs USPTO personnel that when evaluating the scope of a claim, every limitation in the claim must be considered. USPTO personnel may not dissect a claimed invention into discrete elements and then evaluate the elements in isolation. Instead, the claim as a whole must be considered. Likewise, despite the contentions made by the Office Action, neither *In re Johnson* nor *Intel Corp. v. Int'l Trade Comm'n* contains language prohibiting conditional limitations.

Applicants respectfully submit that conditional limitations, despite of a possibility of alternative results, do not merely suggest or make examination of those parts of a claim optional. Accordingly, Applicants respectfully submit that independent claims 1-20, 26-31, 34-53 and 59-78 should be examined in their entirety.

Furthermore, as already mentioned above, anticipation requires the disclosure in a single prior art reference of each element of the claim under consideration. The Office Action contends that "Auction Arms" discloses a network-based commerce system including a processor coupled to a memory through a bus. Applicants agree. However, the Office Action fails to examine other elements of independent claims 1-20, 26-31, 34-53 and 59-78 (some of them having no conditional limitations at all).

Accordingly, Applicants respectfully request that the next Office Auction is not made final and independent claims 1-20, 26-31, 34-53 and 59-78 are examined in their entirety.

Concerning independent claims 1, 8, 26, 29, 34, 41, 59, and 66:

Applicants respectfully submit that dependent claims 2-7, 9-20, 27-28, 30-31, 35-40, 42-53, 60-65, and 67-78 depend directly or indirectly from their respective independent claims 1, 8, 26, 29, 34, 41, 59, and 66. As such, each of these dependent claims incorporates all the limitations of their respective independent claims. Accordingly, Applicants submit that these dependent claims are patentable for at least reasons set forth above.

Thus, Applicants respectfully request withdrawal of the rejection of claims 2-7, 9-20, 27-28, 30-31, 35-40, 42-53, 60-65, and 67-78 and examination in their entirety. For brevity,

Applicants reserve the right to present further remarks concerning the patentable distinctiveness of claims 2-7, 9-20, 27-28, 30-31, 35-40, 42-53, 60-65, and 67-78.

*Reservation of Rights*

In the interest of clarity and brevity, Applicants may not have equally addressed every assertion made in the Office Action, however, this does not constitute any admission or acquiescence. Applicants reserve all rights not exercised in connection with this response, such as the right to challenge or rebut any tacit or explicit characterization of any reference or of any of the present claims, the right to challenge or rebut any asserted factual or legal basis of any of the rejections, the right to swear behind any cited reference such as provided under 37 C.F.R. § 1.131 or otherwise, or the right to assert co-ownership of any cited reference. Applicants do not admit that any of the cited references or any other references of record are relevant to the present claims, or that they constitute prior art. To the extent that any rejection or assertion is based upon the Examiner's personal knowledge, rather than any objective evidence of record as manifested by a cited prior art reference, Applicants timely object to such reliance on Official Notice, and reserves all rights to request that the Examiner provide a reference or affidavit in support of such assertion, as required by MPEP § 2144.03. Applicants reserve all rights to pursue any cancelled claims in a subsequent patent application claiming the benefit of priority of the present patent application, and to request rejoinder of any withdrawn claim, as required by MPEP § 821.04.

**CONCLUSION**

Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicants' attorney at 408-278-4051 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

SCHWEGMAN, LUNDBERG & WOESSNER, P.A.  
P.O. Box 2938  
Minneapolis, MN 55402  
612-373-6900

Date 04-04-08

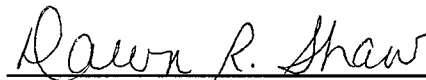
By 

Georgiy L. Khayet  
Reg. No. 59,595

**CERTIFICATE UNDER 37 CFR 1.8:** The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: Mail Stop Amendment, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 4<sup>th</sup> day of April 2008.

Dawn R. Shaw

Name



Signature